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REGROUPMENT OF AFRICAN SOCIALISM ADVOCATED BY TUNIS CONFERENCE

Morocco AL-BAYANE in French 17 Jul 80 pp 1, 3

[Article by Hussein: "After Tunis Conference. What Sort of Rallying, For What Type of 'Socialism?'"]

[Text] In the last few days Tunis witnessed the meeting of a preparatory conference for the purpose of putting an "intersocialist Africa" or pan-African political organization into concrete form, which would regroup all African political organization declaring their adherence to some sort of "socialism."

Thus, in addition to the Tunisian Destourian Socialist Party, hosting this political meeting, the presence of the following representatives of the Senegalese Socialist Party, the Social Democratic Party of the Mauritius Island, the Sudanese Socialist Union, and two Moroccan delegations, one for the Istiqlal Party, the other for USFP [Socialist Union of Popular Forces] was noted.

The press agencies stated that the Tunis meeting was in preparation for one to be held in December 1980 in Dakar, which, for its part is presumed to put the finishing touches to a constitutive conference for an "African Socialist Parties League," which would take place in February 1981 in the Tunisian capital.

Therefore, what can one think of this new attempt to "organize African socialism?"

In fact, two names throw a significant light on this undertaking: Tunis and Dakar. It is in Tunis and in Dakar that the meetings take place, while the Tunisian PSD [Destourian Socialist Party] and the Senegalese PS [Socialist Party] give the impression of playing a major role in this affair. Consequently, the relationship becomes evident. These two parties have very close ties, particularly with the more European "international socio-democracy" where the West German SPD [Social Democratic Party] plays a beacon role. It is in this international socialism that Senghor occupies the position of vice president, helping some politicians, such as Willy Brandt, Olof Palme, Bruno Kreisky, Mario Soares, etc.--whose opinions are well known--....

Therefore, Arabo-African "socialism" which operates under our eyes, seems very much like a manifestation of a "breakthrough" into the third world by the policy of international social democracy, as, in a parallel with this African maneuver, similar efforts are observed in Latin America. (It is not by accident that the last I.S. (expansion unknown) meeting was held in Santo Domingo).

Consequently the Tunis episode points to a new step in this evolution where ambiguities abound. In fact, some do not hesitate to reject, in advance, all the results which could ensue from the efforts made for Pan-African regroupment.

They point out that this type of approach has nothing to do with socialism--in the scientific sense of the word--and that it is only a cover meant to hide the wish of some European circles (in truth, beyond the Atlantic) to better control the political evolution of the Third World and to prevent the generalization of a truly revolutionary orientation.

This viewpoint which bears a very critical valuation of the recent meeting in Tunis, does not fail to draw attention to the fact that up to the present time similar regrouping attempts have failed. Since the tutelage of the Internationale Socialiste (Socialist International)--of which Shimon Peres' Zionist labor party is a member--which is accompanied by some subsidies for the most "submissive," presents too big a contradiction with the well-known interests of the African and Arab people and of their progressionist forces.

However that may be, one can legitimately question the meaning of this meeting and of those that will follow.

In fact, it is enough to note that the artisans of this operation are, like the Tunisians, the Senegalese, the Sudanese, or the Mauritians, the parties in power whose "socialist convictions" contrast radically with the realities of their respective countries.

It is actually the capitalist system which dominates the latter with its form of dependence towards the western monopolies.

Democratic practices appear very restrictive while hostility to scientific socialism on the part of these "socio-democrat" partisans is admissible.

Therefore, are we really sailing towards a "socialist African" a younger, submissive, sister of the Socialist International, European centered and allied to western monopolies?

It is too early to judge. All that can be said--now and henceforth--is that Moroccan (or from another place) authentic progressionist, democratic and anti-imperialist forces will not have too much to do as long as their presence in this conglomerate is not essential, as long as the requirement of the struggle for national and social emancipation is, quite evidently, elsewhere.

7993

CSO: 4400

OPEC FUND TRANSFORMED INTO DEVELOPMENT AGENCY

Paris AL-NAHAR ARAB REPORT & MEMO in English 16 Jul 80 pp 12-16

[Text]

The following Special Survey is the text of the agreement drawn up by OPEC Finance Ministers at their meeting on May 27 in Vienna which transformed the OPEC Special Fund into a new development agency known as the OPEC Fund for International Development (readers should note that as this text is an amended version of the original agreement setting up the OPEC Special Fund, the signature date in Article 15 has not been changed):

Preamble

The Countries Members of the Organisation of the Petroleum Exporting Countries (OPEC), on whose behalf this Agreement is signed :

Conscious of the need for solidarity among all developing countries in the establishment of the New International Economic Order,

In keeping with the spirit of the Solemn Declaration of the Sovereigns and Heads of States of the OPEC Member Countries issued in Algiers, March 1975, of promoting the economic development of all the developing countries,

Aware of the importance of economic and financial cooperation between OPEC Member Countries and other developing countries, and of the strengthening of the collective financial institutions of developing countries,

And desirous of establishing a collective financial facility to consolidate their assistance to other developing countries, in addition to the existing bilateral and multilateral channels through which they have individually extended financial cooperation to such other countries,

Have, therefore, agreed to establish an international financial institution under the name of the "OPEC Fund for International Development" in accordance with the following Articles :

Article 1 :

Legal Status, Membership and Domicile

1.01 The OPEC Fund for International Development (hereinafter called the Fund) is a multilateral agency for financial co-operation and assistance established by OPEC Member Countries and endowed by them with an international legal personality.

1.02 Membership in the Fund shall be open to all OPEC Member Countries.

1.03 The Fund shall be governed by the provisions of this Agreement and by relevant recognised principles of international law.

1.04 The Ministerial Council shall determine the location of the headquarters of the Fund which shall constitute its legal domicile.

Article 2:

Objective and Functions of the Fund

2.01 The objective of the Fund is to reinforce financial cooperation between OPEC Member countries and other developing countries by providing financial support to assist the latter countries on appropriate terms in their economic and social development efforts.

2.02 The Fund is empowered to engage in all functions necessary or incidental to the carrying out of its objectives according to the guidelines to be issued for this purpose by the Ministerial Council and the Governing Board. It is, in particular, empowered to :

- a) provide concessional loans for balance of payments support;
- b) provide concessional loans for the implementation of development projects and programmes;
- c) make contributions and/or provide loans to eligible international agencies;
- d) finance technical assistance activities.

2.03 In the cases where collective action by OPEC Member Countries is deemed appropriate, the Fund may be entrusted by its members with the task of an agent acting on their behalf in particular in their relations with other international financial institutions, within the limits approved in each case by the Ministerial Council.

Article 3 :

Beneficiaries of the Fund

3.01 Eligible beneficiaries of the financing provided by the Fund shall be :

- a) the Governments of developing countries other than OPEC Member Countries; and
- b) international development agencies the beneficiaries of which are developing countries.

3.02 In carrying out its functions, the Fund shall pay special attention to the needs of the less developed among eligible countries.

Article 4 :

Resources of the Fund

4.01 The resources of the Fund shall consist of :

- i) Contributions by Member Countries;
- ii) Funds received from operations or otherwise accruing to the Fund.

4.02 No member shall be liable by reason of its membership for obligations of the Fund except within the limits provided in this Agreement. Each member's liability extends only to that portion of its contribution that has not been paid in. The Fund's liability shall be limited to the obligations which the fund shall have entered into pursuant to this Agreement.

4.03 Each Member of the Fund shall within 60 days of the entry into force of this Agreement in respect thereof, or of its final approval of any increase of its contribution, issue a letter of undertaking indicating the amount of its contribution, or the increase thereof as the case may be, to the benefit of the Fund and shall deposit such letter with the Director-General of the Fund and a copy thereof with its Executing National Agency.

4.04 a) Contributions to the Fund shall be paid by each Member in such amounts and at such dates as the Governing Board shall determine to enable the Fund to meet its commitments. Each payment shall be effected in freely usable currencies the amount of which shall be equivalent, at the time it is received by the Fund, to the US Dollar amount required for payment.

b) For the purpose of Article 4.04 "freely usable currencies" shall mean currencies that are in fact widely used to make payment for international transactions and are widely traded in the principal exchange markets.

4.05 a) Any member may, with the approval of the Ministerial Council, increase its contribution to the Fund.

b) No member shall be obliged to increase its contribution to the Fund without its own accord.

Article 5 :

Administration of the Fund

5.01 The Fund shall have :

- i) a Ministerial Council
- ii) a Governing Board
- iii) a Director-General and such staff as shall be necessary for the Fund to carry out its functions within the framework of an organisation chart to be approved by the Governing Board.

5.02 Each member shall be represented in the Ministerial Council by its Minister of Finance or any other authorised senior representative. The Council shall hold one annual meeting and such special meetings as its work may require. The Council shall have the supreme authority over the Fund and shall, in particular, be endowed with the power to :

- i) issue policy guidelines to be followed by the Governing Board
- ii) approve the replenishment of the resources of the Fund
- iii) authorize the administration of special funds as provided for in Article 8
- iv) appoint the Fund's auditors, approve the Fund's audited financial statements and consider the annual report on the Fund's activities
- v) authorise the Fund's agency functions provided for under Article 2.03
- vi) adopt amendments to this Agreement
- vii) settle disputes that could not be resolved by the Governing Board
- viii) suspend a member
- ix) suspend and terminate the operations of the Fund and distribute its assets
- x) appoint the Director-General and determine his remuneration.

5.03 The Ministerial Council shall adopt its rules of procedure. It shall elect a Chairman from among its members who shall serve for one year. A quorum for any meeting of the Council shall be constituted by two thirds of its members provided they contribute 70 per cent of the contributions to the Fund. Unless otherwise provided in this Agreement, decisions of the Council shall be taken by the same majority required for constituting a valid quorum. Decisions of the Ministerial

Council shall enter into force upon their adoption, unless otherwise specified therein.

5.04 The Governing Board shall be composed of one representative and one alternate for each member of the Fund who shall be designated and may be replaced, by a notice to the Director-General issued by the Minister of Finance or the other authorised representative of the member concerned.

5.05 Subject to the directives issued by the Ministerial Council, the Governing Board shall be responsible for the conduct of the general operations of the Fund. It shall in particular lay down the policies for the utilisation of the Fund's resources and shall issue directives and regulations according to which the resources of the Fund shall be administered and disbursed. In issuing such directives and regulations, the Governing Board shall give due regard to the equitable distribution of the Fund's operations among eligible beneficiaries.

5.06 The Governing Board shall adopt its rules of procedure and shall elect a Chairman from among its members who shall serve for one year. A two-thirds majority of the members representing 70 per cent of the contributions to the Fund's resources shall constitute the quorum for the meetings of the Board. Unless otherwise provided in this Agreement, decisions of the Governing Board shall be taken by the same majority required for constituting a valid quorum.

5.07 Members of the Ministerial Council and the Governing Board shall serve as such without remuneration from the Fund.

5.08 The Ministerial Council shall appoint the Director-General for a period of five years. The Director-General shall be responsible for conducting the business of the Fund under the direction of the Governing Board and in accordance with the Agreement Establishing the Fund and the directives and regulations issued thereunder. Without prejudice to the provisions of Article 6.02, the Director-General shall be the legal representative of the Fund and shall participate, without the right to vote, in all meetings of the Ministerial Council and the Governing Board.

5.09 The Director-General shall appoint and organise the staff of the Fund in accordance with regulations adopted by the Governing Board. In appointing the

staff due regard shall be paid to the importance of securing the highest standards of technical competence and of giving priority in the recruitment of Professional Staff to nationals of Member Countries. Senior Professional Staff members shall be nationals of Member Countries. In the discharge of their duties the staff shall regulate their conduct solely in accordance with the interests and objectives of the Fund and in line with the international nature of their responsibilities.

Article 6 :

Operations

6.01 Applications for assistance from the Fund shall be submitted by eligible beneficiaries to the Director-General of the Fund for evaluation within the framework of the Fund's programmes of work.

6.02 Approval of assistance operations shall be taken by the Governing Board and shall be extended in each case by virtue of an agreement to be signed on behalf of the Fund by the Chairman of the Governing Board or his authorised representative.

6.03 The Fund may, by virtue of a special arrangement to be entered into for this purpose, entrust an appropriate international development agency, an Executing National Agency or any other qualified agency of a Member with the task of technical, economic and financial appraisal of the projects or programmes submitted to the Fund by eligible beneficiaries. Such appraisal shall otherwise be undertaken by the Fund.

6.04 The Governing Board may entrust an appropriate international agency, an Executing National Agency or any other qualified agency of a Member with the task of the administration of the project and program loans approved by it. Such administration shall otherwise be undertaken by the Fund. The administration of loans shall be subject to the provisions of this Agreement, the directives and regulations issued by the Governing Board and the details of each loan agreement.

6.05 Each member of the Fund shall designate by a written notice to the Fund, its Executing National Agency which shall act as the channel of communications with the Fund on matters connected with this Agreement and may be entrusted with such functions as are referred to in the Article of this

Agreement. If required, each Executing National Agency shall establish in its records a special account in the name of the Fund separate from its own accounts and shall keep the Fund's assets and transactions separate and apart from all its own assets and transactions.

Article 7:

Financial Regulations

7.01 The Governing Board shall issue financial regulations applicable to the Fund's activities and covering in particular the Fund's financial statements, administrative budget, investment of liquid funds, internal and external auditing as well as disbursement and expenditure procedures.

Article 8:

Special Funds

8.01 The Ministerial Council may authorize the undertaking by the Fund of the management of financial resources put at its disposal by Member Countries for specific purposes. The Governing Board shall lay down procedures necessary for the administration of such funds and the terms and conditions upon which they may be administered. The resources of such special funds shall have accounts showing their use, commitment and investment separately from those of the Fund's own resources.

Article 9:

Privileges and Immunities

9.01 The Fund and its assets shall enjoy in the territory of the Parties to this Agreement immunity from all confiscation measures, as well as from sequestration, moratoria or any form of seizure by executive or legislative action.

9.02 The Fund, its assets, property, income and its operations and transactions related thereto shall also be exempted from rules and regulations applicable to

national public funds as well as from exchange control regulations and all forms of taxes and duties imposed in the countries Party to this Agreement.

9.03 The Fund shall enjoy immunity from every form of legal process excepting the arbitration procedures which the Fund accepts to participate therein.

9.04 The Fund shall ensure, by virtue of appropriate provisions in its loan agreements, that the Fund, its assets, transactions, revenues and documents shall receive in the territory of its Borrowers adequate immunity from taxation and charges, control over transfer of currencies, measures of expropriation, nationalisation, sequestration, custody or seizure as well as submission to the jurisdiction of national courts in matters related to its loan agreements,

Article 10

Amendment of the Agreement

10.01 Amendments to this Agreement may be proposed to the Ministerial Council by the Governing Board acting on the basis of a three-fourths majority of its members. Amendments shall be adopted by the Ministerial Council, upon the recommendation of the Governing Board or on its own initiative, by a three-fourths majority of members contributing four-fifths of the contributions to the Fund.

Article 11

Suspension and Termination of the Fund's Operations

11.01 The Ministerial Council may decide to suspend or terminate the operations of the Fund at any time by a four-fifths majority of its members representing members contributing at least four-fifths of the contributions to the Fund. The proposal to suspend or terminate operations shall not be put to the vote in the same session in which it is submitted.

11.02 In the event of termination of the operations of the Fund, the liability of all Members for uncalled contributions to the Fund's resources shall continue until all claims of creditors including all contingent claims, shall have been discharged. No distributions of assets shall be made to Members on account of their

contributions to the Fund's resources until all liabilities to creditors shall have been discharged or provided for.

11.03 The Governing Board shall undertake the consequential liquidation proceedings either by itself or through a committee of liquidators appointed by it. Distribution of assets of the Fund among Members shall be in proportion to the contribution made by each member to the Fund, and shall be effected at such times and under such conditions as the Governing Board shall determine.

Article 12:

Interpretation and Settlement of Disputes

12.01 Any question of interpretation of the provisions of this Agreement, or any dispute between the Members of the Fund or between an Executing National Agency and the Fund, shall be settled by the Governing Board and failing this by the Ministerial Council.

Article 13:

Withdrawal and Suspension of Membership

13.01 A Member may withdraw from the Fund by transmitting a notice to this effect addressed to the Chairman of the Ministerial Council.

13.02 Withdrawal shall take effect on the date specified in the notice which shall not be less than six months after receipt of such notice.

13.03 If a Member fails to fulfil any of its obligations to the Fund, the Ministerial Council may suspend its membership by a three fourths majority of the members contributing 70 per cent of the Fund's resources. Unless the Ministerial Council decides otherwise, the Member so suspended shall automatically cease to be a Member two years from the date of its suspension. While under suspension, a Member shall not be entitled to exercise any rights under this Agreement except the right of withdrawal and shall remain subject to all of its obligations.

13.04 Whenever a State ceases to be a member, whether by withdrawal or through the operation of Article 13.03, it shall remain under the obligation to pay its *pro rata* share of the commitments made by the Fund

up to the date of effectiveness of the termination of its membership.

13.05 In case of a dispute between the Fund and a State that has ceased to be a Member, or between the Fund and any Member upon the termination of the operations of the Fund, such dispute shall be referred to the Ministerial Council in an attempt to reach an amicable settlement acceptable to both parties. In case no such settlement is reached, the dispute shall be submitted to arbitration by a tribunal of three arbitrators. One of the arbitrators shall be appointed by the Fund, another by the Member or former Member concerned and the two parties shall appoint the third arbitrator, who shall be the Chairman. If within 45 days of receipt of the request for arbitration either party has not appointed an arbitrator, or if within 30 days of the appointment of two arbitrators the third arbitrator has not been appointed, either party may request the President of the International Court of Justice, or such other authority as may have been prescribed by regulations adopted by the Governing Board, to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, but the Chairman shall have full power to settle all questions of procedure in any case of disagreement with respect thereto. A majority vote of the arbitrators shall be sufficient to reach a decision, which shall be final and binding upon the parties.

Article 14

Transitional Provision

14.01 The Fund shall substitute for the Contributing Parties thereto in all the loan agreements signed in the name of the Contributing Parties to the Fund for the commitment of resources of the Fund before the date of the adoption of the amendment of this agreement endowing the Fund with an autonomous legal personality.

Article 15

Signature and Entry into Force

15.01 This Agreement shall be open for signature at the OPEC Secretariat between January 28 and February 28, 1976. The Secretary General of OPEC shall act as the depositary and, as such, shall provide each signatory with a certified copy of this Agreement and shall notify each OPEC Member Country of each signature, acceptance or accession to this Agreement.

15.02 This Agreement shall enter into force when instruments of ratification, acceptance or accession have been deposited by at least nine Member Countries of the Organisation of Petroleum Exporting Countries contributing at least 75 percent of the total amount of contributions mentioned in the Schedule of Contributions appended to this Agreement.

CSO: 4820

PETROLEUM INVESTMENTS COMPANY REPORTS ON REVENUES

Beirut THE ARAB WORLD WEEKLY in English 18 Jul 80 pp 8-9

[Text] Total revenue for the Arab Petroleum Investments Corporation (Apicorp) rose by 31 percent in 1979, according to the corporation's fourth annual report. Total revenue for the corporation amounted to 118 million Saudi riyals, compared to SR.90 million in 1978. The net profit for 1979 was SR.95.3 million compared with SR.62 in 1978; an increase of 52 percent.

APICORP, which was established in 1976, is contemplating expanding its activities geographically by participating in financing petroleum projects and their related activities in both the third world countries and the advanced industrial nations.

During 1979, the Corporation managed, underwrote and participated in a number of loans and bond issues in favour of various Arab petroleum projects. The total value of these loans and bond issues amounted to \$727.7 million in 1979, compared with \$896.3 in 1978, \$619 million in 1977 and \$233.6 million in 1976.

The corporation increased its equity participation in Arab petroleum projects to an aggregate capital amounting to \$198 million, of which the corporation contributed \$24 million or 12.3 percent on average. The report said that this is in harmony with the corporation's policy aiming at increasing its direct investments in Arab petroleum projects.

APICORP participated as a manager and underwriter in a loan of \$57.7 million to finance a liquefied petroleum gas (LPG) pipeline project in Algeria. The pipeline will transport LPG from Hassi R'Mel region to the port of Arzew in north-western Algeria, a distance of 510 kilometers. Its annual capacity of six million metric tonnes can be increased to nine million tonnes in the future.

In addition, the Corporation participated in the management and underwriting of a \$150 million loan in favour of the government of the Sultanate of Oman for the development, production and transport of oil

from the fields of southern Oman. The total cost of the project amounts to about \$600 million, which includes operations for the development of Amal Marmud field in the south.

In operational joint Arab ventures, APICORP cooperated with its sister company, the Arab Petroleum Services Company (APSC) in launching a joint venture for well-drilling and workover operations in the Arab petroleum sector. The corporation took part in preparing the feasibility study and the subsequent implementation stages including the selection of, and negotiations with, a foreign partner of suitable expertise. The equity of the joint venture is 12 million Libyan Dinars (about \$40.5 million) to which APSC contributed 40 percent and APICORP about 20 percent.

Other joint Arab projects under study and implementation by the bank include a detergents project, a catalysts project, a lube oil project, and synthetic rubber and carbon black projects.

CNO: 4820

INTER-ARAB AFFAIRS

PROJECTED LENDING BY ARAB FUNDS DETAILED

Paris AL-NAHAR ARAB REPORT & MEMO in English 28 Jul 80 pp 12-16

[Excerpts] In a coordination meeting held on June 8 and 9, seven Arab development assistance institutions and representatives of the State of Qatar studied a list of new projects for which finance was requested and examined progress on projects in which they contribute partial finance and for which additional finance is requested. A number of "special" projects were discussed in side meetings. A description of these projects in Arab countries and of their status is presented below.

In Jordan, the conference examined progress on the Aqaba Industrial Port project. The Saudi Fund for Development (SFD) contributed SR 61.25 million (\$18.4 million) to the project. The Islamic Development Bank (IDB) has expressed interest in partial financing since a substantial finance gap remains. Other major projects in Jordan being financed by the funds include the Jordan Valley development (the Muqrin Dam). The Kuwait Fund for Arab Economic Development (KFAED) will contribute KD30 million (\$110.25 million) to the project and will send a project appraisal team next December. The Saudi Fund for Development and the Abu Dhabi Fund for Arab Economic Development (ADFAED) have announced that they are studying the project and will exchange information and coordinate efforts. The Arab Fund for Economic and Social Development (AFESD) announced before the conferees that finance for a communications network linkage project between Jordan and Saudi Arabia has been arranged after proper assessment of feasibility.

In Bahrain, IDB announced its participation in the capital of the Islamic Bank of Bahrain.

In Tunisia, the Funds are contributing to three major projects: the expansion of the Benzert fishing port, finance of which is being considered by AFESD for next year, a polyester fiber plant, in which the IDB is considering a capital contribution (total cost of the project is estimated at \$147 million) and the Ghar Al Dima agricultural project, which will be wholly financed by AFESD. AFESD has completed assessment of the project, which will cost KD 3.5 million (\$12.9 million).

In Algeria, SFD, AFESD and IDB are contributing to the finance of the Jijil Port, under special loans approved in 1977 and 1978; but since work on the port has not yet started a special session will be held to follow up the matter. AFESD is meanwhile considering finance of the communication networks link between Algeria and Tunisia, while IDB is financing a poultry and poultry feed project estimated to cost \$45 million.

In Sudan, ADFAED has granted a \$150 million loan, of which \$50 million will be used for balance of payments support and the remainder will be used as partial finance for the new Khartoum Airport project. AFESD also said it may contribute in Sudan's major irrigation projects and the Southern Sudan development scheme.

SFD meanwhile announced that the Saudi government had granted a \$200 million loan to Sudan, of which \$50 million were used to fill up finance gaps in six projects in progress. SFD also announced that it has provided \$150 million as partial finance in the Swaqen Port project.

In Syria, AFESD is currently assessing the feasibility of the Hama and Hama sewerage project. The cost of the project is estimated at KD40 million (\$147 million) of which KD20 million is in foreign currencies. Finance was completed by commitments from AFESD.

The Islamic Development Bank and the OPEC Fund are meanwhile considering finance of the Damascus garbage collection and treatment project. The Damascus sewerage project is being considered by the Kuwaiti Fund, the Saudi Fund, the Arab Fund and the Abu Dhabi Fund. Total costs of the project are estimated at KD90 million (\$330.75 million). The Saudi Fund announced it would put up SR 110 million (\$33 million) and the Kuwait Fund said it would assess the project in May 1981.

In Oman, the Kuwait Fund has granted a KD2 million (\$7.35 million) loan for the Khuwair area development. The total cost of the project, which consists of providing infrastructural amenities, is estimated at KD4.8 million (\$17.6 million).

On the Suhar pipeline project the Kuwaiti, Arab, and Abu Dhabi Funds agreed in principle to take part in the finance. The project consists of constructing a gas pipeline to the Sahar area to provide fuel to a power plant that will cater for the needs of the copper smelting plant to be set up in Sahar. Assessment of the project is scheduled before the end of 1980. The Saudi Fund said Saudi Arabia had granted \$100 million to the Oman government as a contribution to the copper smelting project.

Lebanon benefited least from the Fund's contributions. The conferees only expressed readiness to make substantial contributions to viable

projects in Lebanon, when security prevails. But the IDB announced that it was contemplating a joint risk contribution to the Makassed Commercial Complex project. The overall cost of the project is estimated at \$50 million and the finance gap is in the order of \$17 million. The project was presented to all Arab funds for joint financing.

The Kuwaiti Fund is considering a new loan to the Moroccan Bank for Industrial Development to finance its operations in the coming three years. The Islamic Development Bank is also considering the provision of credits for industrial projects and has agreed to coordinate its efforts with the Kuwaiti Fund.

The Central Haws water supply project to cater for the Marakesh irrigation and drinking water needs is being considered by the Islamic Development Bank. A team will visit Morocco for additional information and the Moroccan government will contact the Kuwait Fund seeking its participation in the finance.

The Kuwaiti and OPEC funds and the IDB are jointly financing the Tamzauert dam project. The part of costs in local currency will be covered by a loan from the Saudi government, according to the Saudi Fund for Development. The State of Qatar has also provided a \$10 million loan to be used for the finance of several development projects in Morocco.

In South Yemen, the Kuwait Fund has approved a KD 1.8 million (\$6.6 million) loan as additional financing for the Abeen Valley development project. Meanwhile the Arab Fund is considering the finance of the KD 10.6 million (\$39 million), Aden water supply project. An assessment team was sent to collect more details on the project. The Arab Fund is considering technical assistance to the Aden government for the assessment of the Aden sewerage project.

In North Yemen, the Kuwait Fund announced that its contributions will be limited to agricultural development. KFAED also announced that it is considering joint finance of the Wadi Siham development project with the Abu Dhabi Fund after both funds complete the assessment of its viability.

The Saudi Fund for Development announced on the other hand that, in view of cost increments in four projects that it has undertaken to finance, additional financing has been approved. These were distributed as follows: SR 30.15 million (\$9 million) for the Taz water supply and sewerage project, SR 46.9 million (\$14 million) for the Sanaa water supply and sewerage project, SR 53.6 million (\$16 million) for the second electric project and SR 36.85 million (\$11 million) for the grain silos and mills project.

The Islamic Development Bank announced that it may cover the finance gap in the Hodeyda water supply and sewerage project currently being partly financed by the Arab Fund. The representative of the State of Qatar has requested additional information on projects in North Yemen for which finance is requested.

The Abu Dhabi Fund announced that it would provide partial finance for the Southern Plateau development scheme. The Arab Fund meanwhile said it was asked to provide finance but was unable to do so before 1982. The Arab Fund however is considering technical assistance to North Yemen for economic feasibility studies for the Abbe-Qu'tuba and Hodayda-Ta'iz roads and the preparation of the 5-year agricultural development plan.

CSO: 4820

INTER-ARAB AFFAIRS

BRIEFS

INCREASE IN OPEC FUND CAPITAL--The Organization of Petroleum Exporting Countries has decided to increase the OPEC fund from four billion dollars to \$20 billion for the next four years to assist developing countries, according to United Arab Emirates Oil Minister Maneh Said Al Oteiba. The Minister, who visited the Philippines this week, announced that his country will urge OPEC heads of government scheduled to meet in Baghdad in November to "increase further this capital, to reach maybe \$100 billion or more in the coming years." He said it is the duty of OPEC to come to the rescue of developing countries badly affected by the increasing cost of oil, and he challenged developed countries to put up a similar fund to help poor countries meet the rising cost of industrial goods and technology from the West. [Text] [Beirut THE ARAB WORLD WEEKLY in English 18 Jul 80 p 10]

CSO: 4820

WEST BANK ATTACKS RAISE FEARS OF JEWISH TERRORISM

Paris LE MONDE in French 17 Jun 80 p 5

[Article by Francis Cornu]

[Text] Jerusalem--The Israelis have not finished assessing the consequences and significance of the attempted assassination of three West Bank mayors on 2 June. Two weeks afterwards, unrest persists and is even tending to grow worse. Because no progress seems to have been made in the investigations. Because a whole series of death threats have been made against West Bank figures as well as against left-wing Israeli leaders and journalists accused of serving the Palestinian cause (LE MONDE of 13 June). And finally, because many supporters of the settlement of occupied territory admit that they "understand" the motivation of those who attempted the assassinations even though they condemn resorting to that kind of action.

Mr Begin has said that the investigation underway was "the most important ever undertaken in Israel." But the investigators have so far demonstrated great discretion, which has aroused criticism. Attorneys for the mayor of Nablus, for example, deplore the fact that certain basic steps have not been taken, such as questioning the eye witnesses to the explosion, i.e., Mr Bassam Chakaa's wife and children, who were present on the scene.

Moreover, two facts have particularly held the public's attention: on 10 May, a large amount of arms, ammunition and explosives stolen from the army by Israeli soldiers was discovered in Jerusalem; apparently the investigation of this matter is stalled; however, people are wondering whether the two soldiers arrested did not have help from various accomplices in the army and whether other equally large clandestine caches were not deposited elsewhere; in the case of the explosions of 2 June, the technique used by those who made the assassination attempts was very elaborate. The members of the commando group(s) had experience in sabotage operations. Here again, this suggests that soldiers--on active duty or on reserve--could be involved. Are there presently "fallen soldiers" in Israel who are ready to engage in terrorism for political reasons?

The recent threats to Palestinians and Israelis will perhaps not be carried out. But their number proves at least that the terrorists, who struck on

2 June, are not as isolated as government and military authorities would have people believe. The reactions of most Israeli settlers on the West Bank or members of the Gush Emounim (Faith Bloc) movement forces the same observation. Thousands of people do not totally disapprove of the assassination attempts against the Palestinian mayors, since the latter were denounced as "enemies of Israel" and "criminals" who got what they "deserved."

A Split in Israeli Society

A recurrent phrase heard in Israeli settlements in occupied territory: "I can't say that I didn't feel a certain amount of satisfaction." Such remarks are not unusual in Jerusalem or Tel Aviv ... and even in the Knesset, by a National Religious Party representative who declared on 2 June, immediately after the three assassination attempts, quoting a passage from the Bible: "May (our) enemies thus perish ... " Repudiated by his party's other representatives, Rabbi Haim Druckman intended and thought to soften the effects of his imprecation by adding: "Obviously, I would have preferred that they (the mayors) die a natural death."

For many political leaders and commentators, the date of 2 June marked a split in Israeli society. The military commentator for the daily newspaper HAARETZ, often considered an authority among Israeli opinion, cutting across all factions, recently drew this pessimistic conclusion: "When a clandestine group starts to spill blood for a certain idea, there is no end to it. First they attacked the Arabs supporting the PLO, then the Jews expressing opposite ideas or arguing in favor of a compromise with the Palestinians. This is a path which leads to the Irish system and civil war ... Here is a new aspect of the conflict: The conflict is not only between us and the Palestinians but also among ourselves."

The former chief of staff who became the general secretary of the Labor Party, reserve Gen Haim Bar Lev in turn stated in an interview with the JERUSALEM POST that the development of activism in Jewish extremist movements represented "a real danger to Israeli democracy and Zionism." And he added: "The situation is on the verge of getting beyond our control."

A month earlier, General Bar Lev provoked a general outcry in rightist parties by questioning the policy of the Begin government after the attack on settlers in Hebron on 2 May (six persons were killed). He said that by allowing them to settle in Hebron, "Palestinian terrorists had been given an obvious target." Now, after the attempted assassination of the Palestinian mayors, General Bar Lev and the entire parliamentary opposition point out that Mr Begin's cabinet, by an active or passive attitude, created the conditions of the current situation.

The appearance of "Israeli terrorism" is the result of a slow development which the government has been unable to stop and which it has fostered. This has been a gradual shift. For a long time, more and more illegal and violent acts have been committed by Israelis in occupied territory. They have been tolerated or inadequately punished, whereas the least disturbance by Palestinians has been subject to severe repression.

In early 1979, because stones were hurled at their vehicles, settlers began to organize punitive operations in various West Bank locales. Acts of vandalism were committed. Houses and cars belonging to Palestinians were damaged. The settlers admitted that they wanted revenge because the army, in their opinion, was not doing its job. Even at that time, there was open talk in certain settlements about forming "self-defense" groups. With each incident, the military administration's investigation ended suddenly.

It took until last April for four Gush Emunim militants to be indicted--but they were released on bail shortly afterwards. They had taken part in the most serious retaliatory raid. Several dozen stores and 120 cars were sacked in Ramallah on 23 April. Settlers passed weapons around more and more and did not hesitate to use them. In Khalkhoul in March 1979, two Arab demonstrators were killed. Settlers were responsible for the shootings. One of them was suspected by investigators of having fired one of the fatal shots. No charges were filed. The result was the same when Gush Emunim members, 2 months later, went to quell a demonstration by high school students in Bir-Zeit. One of the youths was wounded by a bullet from a revolver. The person who fired the shots confessed afterwards, but it was assumed that he acted out of legitimate self-defense.

The behavior of Gush Emunim militants is more serious, for there are several thousand of them and they exert a decisive influence on all Israeli settlers, who today number about 12,000 on the West Bank. Gush Emunim is their semi-official representative. This movement was able to rally nearly 50,000 people during its last major demonstration in April. Gush Emunim acts effectively as a pressure group which can rely on solid support in the government, on the National Religious Party's ministers and especially on the minister of agriculture, Mr Ariel Sharon, an ardent supporter of the settlements. By establishing "unofficial" settlements sometimes clashing violently with the army, this movement has provided an example of action on the fringe of legality. It has often forced the hand of Mr Begin, whose idea of a "Great Israel" it has embraced but whose "defeatism" it currently denounces. Rejecting the government's current policy and plan for autonomy, Gush Emunim has dictated a large part of the settlement policy over the last 3 years. In 1977, Mr Begin chose to celebrate his election victory with Gush Emunim settlers.

11915

CSO: 4800

ARAB MOVEMENT WITHIN BORDERS FEARED

Paris LE MONDE in French 10 Jun 80 p 4

[Article by Francis Cornu]

[Text] Jerusalem--A certain amount of tension has recently become evident between the leaders of the Arab community in Israel and the government of Mr Begin. In a conference on 8 June, Mr Begin denounced the remarks made the week before by Nazareth's Arab mayor, Mr Toufik Zayyad, a representative of the communist group Rakah in the Knesset. On 5 June, Mr Zayyad presided over a meeting in Nazareth of the main leaders of Arab local councils in Israel, during which the councils sharply criticized the government's policy in occupied territory and expressed their "solidarity" with the people of the West Bank of the Jordan following the attempted assassinations of the mayors of Nablus and Ramallah and the expulsion of the mayors of Hebron and Khaikhoul the previous month.

Mr Begin said that the speech made by Mr Zayyad on that occasion was "very serious" and that an investigation would be made in that regard. In the government coalition as well as within the Labor Party, voices have been raised demanding sanctions against Mr Zayyad's "subversive" attitude and lifting of his parliamentary immunity.

Four Arab leaders from Haifa and Acre were also placed under house arrest on the decision of the regional military commander. They had taken part in the Nazareth meeting. The communist party demanded a debate in the Knesset and protested these exceptional measures taken to implement an emergency regulation dating back to the British mandate and not used against Arabs in Israel for about 15 years.

Authorities in Jerusalem fear that a movement for identification with the Palestinian people in occupied territory will arise in Israel's Arab community.* In recent weeks, a wave of agitation has swept through the universities of Jerusalem, Tel Aviv, Haifa and Beersheba, where there were violent clashes between Arab students affirming their "Palestinian identity" and Israeli students belonging to rightist movements.

*Of a total population of 3.8 million inhabitants, nearly 600,000 Israeli citizens are Arabs.

ISRAEL

EMIGRANTS SAID TO EXCEED IMMIGRANTS

Paris LE MONDE in French 14 Jun 80 p 6

[Article by Francis Cornu]

[Text] Jerusalem--In explaining the reasons for his resignation and his criticism of Mr Begin and the government, former defense minister Ezer Weizman recently pointed out that Israeli society was in a state of "depression," evidenced particularly by the increase in emigration. According to him, the number of Israelis leaving the country now exceeds the number of immigrants. This assessment is officially disputed.

However, Mr Begin informed the Knesset that a commission would be set up to study the causes of this phenomenon, already considered very disturbing after the unrest caused by the "earthquake" which the Kippur war represented for the Israelis.

It is true that the statistics are difficult to determine because part of the Israeli population is very "mobile" and a long time is required before knowing whether a person living abroad will return to the country.

But the vice chairman of the Labor group in parliament, Mr Uzi Baram, revealed that more than 20,000 young people were now leaving Israel each year. He explained that this obviously meant that many fewer reservists for the army and a significant loss for the national economy inasmuch as most of these emigrants were highly skilled.

A comparison with immigration figures shows the seriousness of this "massive drain." There were 37,000 new immigrants in 1979, but that was an exceptional year in which the number of Jews authorized to leave the USSR had never been as high. In 1978, there were only 26,000 new immigrants.

These facts must also be tempered with the information obtained in a recent survey made by an economic research institute, showing that one-third of the immigrants leave again during the first 3 years. The main reasons for these departures are the lack of jobs matching the skills of the newcomers and the housing shortage. The economic crisis and risks of unemployment, acknowledged by the Ministry of Labor, can only reinforce this trend.

It should also be remembered that the number of Israeli citizens residing in the United States is estimated at at least 350,000 and that one-third of the Jews leaving the USSR in 1979--with a visa for Israel--preferred to go to the United States or to another Western country.

11915

CSD: 4800

MAPAM REPRESENTATIVE ANALYZES EUROPEAN MOVES

Paris LE MONDE in French 17 Jun 80 p 2

[Article by Mapam European Representative Dov Puder]

[Text] The European Community wants to play an active role in the search for a settlement of the Middle East conflict.

Inasmuch as this conflict concerns not only the parties directly involved, it may seem normal for all nations concerned about the area's future to try to participate in the peace process initiated by the Begin-Sadat meeting. However, a determination must be made of the nature of such participation, which must not jeopardize what has already been achieved.

The suspension, probably temporary (and customary with this kind of negotiations), of negotiations on the establishment of autonomy for the West Bank of the Jordan and Gaza is too quickly interpreted as proving the failure of what was achieved at Camp David.

Enough emphasis can never be placed on the essential importance of the Israeli-Egyptian peace treaty. It is tangible proof that an agreement is possible. We may therefore wonder whether it would be justifiable to abandon, less than 3 years after its inception, a process which has led to a first step in what appeared to be an eternally irresolvable conflict.

We should again recall not only the originality of that approach, but also its main features: mutual recognition, dialog and compromise.

Any attempt to change the rules of the game and to gloss over one of these features will inevitably lead to a failure whose consequences would be infinitely more serious than the difficulties encountered in applying the Camp David accords.

Mutual Recognition

Europe would like to facilitate the Palestinians' entry into the peace process. Israel is opposed to this approach, fearing that the Europeans might ultimately allow themselves to be led into a policy that would avoid recognition, dialog and compromise, and would lead to a forced settlement.

Mutual recognition remains the basis of any solution and has two aspects:
1) Not the acceptance of the right to exist, but acceptance of the very existence of national realities; 2) Recognition of their political manifestation.

The Palestinians claim that they want to establish a nation on every parcel of liberated or evacuated territory, but they do not fail to recall their basic longing for all of Palestine (and therefore of Israel), as they have just reaffirmed in the resolutions of the congress of Path, reputedly the moderate wing of the PLO.

The important political forces in Israel which recognize and accept the existence of a national Palestinian entity will be able to move toward political recognition only when a parallel first step is made by the Palestinians.

Dialog and compromise would then become possible, but would probably be long and difficult.

Convincing the Palestinians that there can be no solution without negotiating with Israel and without abandoning terrorism is the most urgent political step today. Israel in turn must not try to give a limited interpretation to the definition of autonomy as stated in the Camp David accords. On the contrary, Israel should put forth bold proposals like those formulated by Abba Eban.

Terrorism, which has just taken on a new dimension with the recent West Bank events, is a decisive factor in the complexity of the conflict.

Terrorism is often a preferred weapon in national liberation struggles. The choice of terrorism's goals determines its nature: the mere choice of civilian targets expresses the will of Palestinian organizations to destroy Israel. This is what is felt by those same Israelis indefatigably attempting to open a dialog with the Palestinians. They indeed demand an end to terrorist acts as a condition for opening any negotiations. Even the 6-month moratorium on terrorism, proposed by Uri Avneri a few months ago during a meeting between Palestinians and Israelis in Rome, was rejected.

This is why the attempted assassination of the West Bank mayors must be given the most serious consideration. Israeli authorities have said that they would seek out and try to convict the perpetrators of those heinous acts. Many commentators in Israel think that those responsible could well be Israelis. But before even being able to identify those responsible, those in Israel who seem like they are trying to determine whether such acts are justifiable must first be condemned with the greatest vigor.

Israel cannot tolerate the emergence in its midst of an opposition which not only wants to make any compromise and any peace agreement impossible, but also seeks to challenge legitimate authority.

Terrorism does not only attack a foreign enemy; it turns more or less quickly against the society which produced it and allowed it to develop. The sacking

of the headquarters of SHELI [expansion unknown], a left-wing Zionist party represented in the Knesset and whose general secretary is a higher (reserve) officer, proves that "Israeli" terrorism would not be an exception to this rule: not only would it annihilate all efforts toward peace, but it would ultimately destroy the democratic structures of the Israeli Government. Such terrorism would not only be contrary to the basic principles of Judaism, it would be anti-Zionist because it challenges the Israeli Government.

The search for peace is difficult. It requires not only a bilateral agreement between the belligerent parties, but it probably also involves the indirect intervention of powers concerned about the stability of the area.

Foreign powers can promote and encourage contacts, but they must refrain from creating a situation in which a forced settlement would appear to be the only solution.

Fostering the Palestinian illusion that it is possible to achieve "everything" without having to deal with the Israelis will actually lead to the beginning of a denial of Israel's right to exist.

In the final analysis, it is the Israelis and Palestinians themselves who will have to find the paths leading to peace, beyond terrorism and mystic or national fanaticism.

11913

COO: 4800

BRIEFS

WATER FROM IRAQ--The Jordan Valley Authority has asked consultants for prequalification bids for a study of the economic and technical feasibility of pumping hundreds of millions of cubic metres of water to Jordan from the Euphrates River in Iraq, a distance of about 600 kilometers. The move follows high-level Jordano-Iraqi meetings earlier this year in which agreement in principle was reached on the supply to Jordan of Iraqi water. The JVA has said the scheme would involve "considerable amounts of water" and that the project, if undertaken, would comprise "several pumping stations, large diameter pipelines, water treatment plants and water storage reservoirs." The JVA, according to report from Amman, is not going into detail at this stage, believing that the technical specifications of the project will be determined by the outcome of the proposed study. The report said a confidential study by the JVA which was given to senior members of the Jordanian government earlier this year warned that Jordan would run dangerously short of water in the coming decade and that the only realistic source of additional supplies was from the Euphrates and Tigris rivers in Iraq. Such a possibility had been earlier described by the government as a last resort. Jordan at present uses about 500 million cubic metres of water a year, with some 80 percent going to farmers. A dam being built on the Yarmuk River is expected to provide only temporary relief because planned development in the Jordan valley will absorb most of the water it will provide. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 11 Aug 80 p 6]

CSO: 4820

ERRATUM: In JPRS 76051, 16 July 1980,
No. 2148 of this series p 39, the word not
was omitted.

Paragraph 2 should read:

We are not advocating racism...

Paragraph 4 should read:

There are rules which must not be
transgressed...

DISAPPROVAL OF 'LE MONDE'S' ARTICLE ON FREETOWN SUMMIT

Casablanca MAROC SOIR in French 8 Jul 80 p 1

[Article: "LE MONDE: What Newspaper!"]

[Text] LE MONDE will definitely not change. It is filthy and it will remain filthy. Because this jumble of mentally retarded ideologists, warped intellectuals and obscure visionaries, joined by this umbilical cord--programmed myopia--take themselves seriously and pose as critics of the people's conscience and of their leaders.

In an editorial entitled "New postponement for OAU" referring to the last African Summit in Freetown, the following was stated: "within the next 3 months the Wise Men's Committee will make a decision on the eventual admission of the SADR to the OAU. At least that is the decision of the chiefs of state who adopted a resolution drawn up by Nigeria in this connection." This is quite false!

What does the resolution proposed by Nigeria say, which the same newspaper publishes on page four?

Here it is:

1. "The conference takes note of the report of the third session of the ad-hoc committee of the chiefs of state and the government;
2. Decides to request the committee presided by the acting president, Siaka Steevens, to put forth all his strength to reconcile the conflicting parties and to find a peaceful and lasting solution to this question;
3. Congratulates itself for Morocco's willingness to enter into discussions with all the interested parties and to participate fully in the work of the ad-hoc committees;
4. Decides that the ad-hoc committee must meet in Freetown within the next 3 months."

As it will be noted nothing is said anywhere about the Wise Men's Committee having to make a decision within 3 months in regard to the eventual admission of the SADR to the OAU. Or perhaps the editorial writer on duty knows nothing about what was reported in the same newspaper by the special correspondent in Freetown, and takes his wish for a reality or ignores it voluntarily and publishes delinquent misinformation. In both cases it is serious and condemnable.

At all events, LE MONDE which has accustomed us to this type of shameful procedure in the processing of information, did not surprise us.

That it would have chosen deliberately to be Morocco's enemy as well as the enemy of the right causes, is after all only a question of choice.

But that it should mutilate the truth and abuse the good faith of its readers to this point without any scruples, we could not let this opportunity go by without reminding it of what it is: a filthy LE MONDE.

7993

CSO: 4400

CURRENT LABOR UNREST DISCUSSED IN UMT NATIONAL COUNCIL

Casablanca L'AVANT-GARDE in French 12 Jul 80 pp 1, 3

[Text] The routine session of the National Council of the UMT (Moroccan Labor Federation) which met on Saturday 5 July 1980 in Casablanca assumed special importance due to the particularly tense social climate.

At the time the routine session was meeting, very serious strikes were inflaming many sectors.

It is in this state of affairs that the National Council was to hear a report from the secretary general of the local union in Casablanca on the struggle of the metallurgical workers. The SOMACA [expansion unknown] workers (in the car assembly line factory) have been on strike for more than a month and the whole sector had observed a one day's solidarity work stoppage. He also alluded to the SMOA [expansion unknown] (liquid air) where this dispute had lasted for many weeks. There also the entire chemical products sector is getting ready to join the solidarity action, as mentioned by the U.L. Casablanca secretary. In turn the local union in Rabat was to give an account of the latest developments in the conflict with the buses.

But first the council had to listen to an important report by comrade Mahjoub Ben Seddik on the evolution of the national situation since the last national council.

Benefiting from the experience of the workers great demonstration commemorating the 1 May celebration, which demonstrated the vitality and combativeness of the Moroccan working class, it indubitably remains the principal social organized force in the country under the UMT banner. The comrade secretary general had to deal with the social situation which is in a perpetual deterioration, and the daily struggle of the workers for the protection of their rights, especially for a radical change.

The secretary general of the UMT underlined the amplitude of the responsibility incumbent on the working class and the tasks which devolve on the militants and the responsible people in UMT, for a better mobilization of the combative energies of the workers, serving the objectives of the emancipation of the masses and national liberation.

After comrade Mahjoub spoke, the representatives of the various UL and UR (expansions unknown), as well as of the federations, said a few words and reported on the activities of their respective sectors.

At the conclusion of its work, the national council approved the declaration of the national secretariat dated Monday 30 June 1980, stigmatizing the latest governmental measures relating to the increase in the price of oil.

In addition, the council made some decisions regarding union training and organization.

7993

CSO: 4400

MINIMUM WAGE FAR SHORT OF COST OF LIVING

Casablanca L'AVANT-GARDE in French 12 Jul 80 pp 1, 3

[Text] More than 4 years ago, based on official figures, of which the least that can be said is that they minimized or max'mized according to the needs, the local Union of Casablanca established that the minimal needs of a family of four people could be set up as follows:

General monthly expenses:

Rent	150 DH
Water, electricity	60 "
Flour and butane gas	130 "
Hygiene and upkeep	40 "
Clothing	30 "
School supplies	10 "
Physician and drugs	30 "
Motorcycle transportation	45 "
Motorcycle insurance	20 "
TOTAL	545 "

Monthly expenses only for food:

Oil, tea and sugar	90 DH
Vegetables	120 "
Half a kilo of meat per day x 30 days	240 "
A liter of milk per day x 30 days	42 "
TOTAL	492 "

Many remarks are noteworthy:

To begin with, the above-mentioned items only cover current expenses corresponding to the strict minimum for the subsistence of a family composed of four people. The budget in question excludes occasional expenses, such as:

--replacement of used home utensils

--upkeep of expenses for the home (plumbing, sanitary installations, if necessary)

--replacing a tire, innertube for motorcycle

--grocery expenses: pepper, red pepper, salt, cumin

It stands to reason that in relation to the others, these expenses are still part of the minimum subsistence.

In second place, the budget in question does not include certain aspects of the expenses of a Moroccan home occasioned by the holidays, some family conveniences or others. Neither are there any spare time activities, that is to say, movie tickets, trips for family visits, cigarettes, newspapers, radio batteries, etc.

Finally, and last remark, the most important. All the figures in the above-mentioned budget must be reviewed and increased to a higher level.

--It is impossible to find any lodging in Casablanca for four people which will cost 150 DH per month. From conversations with our employed workers in various sectors of activity, we find that on an average the Casablanca worker pays about 300 DH per month for rent only.

Flour and butane gas particularly have sustained many increases on several occasions, of which the most spectacular is the one which took place in June 1980, where the price of a 13 kg bottle (brought down to 12 kg without the knowledge of the consumer) went from 19.50 DH to 28.50 DH.

The heading of hygiene and medical care has also sustained some shameful increases. The medical visit to a general practitioner's office does not cost less than 40 DH, while a specialist charges no less than 60 DH.

As regards transportation, by motorcycle, using one liter per day comes up to 4 DH x 30 days: 120 DH per month, 120 DH only for transportation without including insurance and upkeep expenses.

As to the cost of food, tea, sugar, oil, vegetables and milk have sustained increases.

Beyond the three remarks made above, it can be concluded that in 1980, and considering that since 1976 prices have increased by about 40 percent in general, the minimum survival budget for a family comprised of four people is worked out to 1,400 DH per month.

The interoccupational guaranteed minimum growth wage of about 400 DH per month is therefore far from the count. We must point out that the great majority of the workers is paid according to interoccupational guaranteed minimum growth. Can anyone survive in Casablanca on 400 DH per month with four dependents?

The question is put to the people responsible for this social stagnation.

7993

CSO: 4400

DECISION LIFTING DISMISSAL OF STRIKING OFFICIALS REPORTED

Casablanca LIBERATION in French 11 Jul 80 p 16

[Editorial: "An Ordeal"]

[Text] The royal decision to lift the arbitrary measures which weighed on the 2000 teaching and health officials was made in time to fulfill the people's demands. Demands which never ran dry since the very first day when dismissal measures were implemented and began striking blindly, without any legal basis, all those who on 10-11 April used their right to strike legally. In Morocco the progressionist movement, the democratic unions, the professional and cultural organizations never ceased to demand the reinstatement of those who, in order to have their voices heard, seeing the reduction in their purchasing power and their worsening working conditions, had as a last resort gone on strike. Abroad, the active solidarity of the democratic, political and union offices replied to the appeal made by the CCF [Democratic Labor Confederation] and took up the cause of those who had been dismissed. Even under pressure of the international labor federation, (in ILO especially) there was no hesitation in determining the degree of arbitrary methods and the illegality of the measures taken for this dismissal. In Geneva, recently, ILO could not have been more clear; they called on the Moroccan Government to put an end to this situation. Therefore by this decision Morocco emerges strengthened by this ordeal, since it is actually a battle which was enacted between respect of the law and derision, between the guarantee of union rights and their violation. Our people had chosen to battle for the elementary right of the worker to strike, which should not be subjected to any alteration. A battle for the worker, but also a battle for the protection of the constitutionality of the laws. That is to say, to gird executive action in the limits of a constitutional legality. Morocco is certainly strengthened because the royal decision proves that if the political will is there, democratic practice will not incur any smudges.

It is clear today that the desired democracy demanded by the Moroccan people is neither a utopic aspiration nor an impossible situation. What is called the cooperation of all the forces, to begin with, is the assumption by the executive of the duty not to hamper democratic enlightenment in any

manner. It is certain that if our country falters in its democratic march it is because the people's will is not pursued by a governmental behavior which should take it into consideration. This was proved on the occasion of social struggles and political, electoral or referendary battles. It is nobody's secret that if our country missed the democratic turning point, to which it seemed to be resolutely oriented, it is actually due to the disrespectful machinations in regard to the people's will by its administrative machinery.

And if the constitutional credibility of our country has almost flown into pieces, it is equally due to a very lame interpretation of the law into which direction this machinery was pushing during the 10-11 April 1979 strikes. Therefore, it becomes imperative that the government and its administrative machine fall into step with the people's aspirations if one wishes to save the Moroccan experiment from collapse. And we can say that the royal decision assumes great importance when one can perceive the enormous possibilities for Morocco to be saved from floundering around, all of it being a question of political willpower. It is very satisfactory to note that many press agencies hailed this measure to reinstate dismissed officials. Even though their position is rather belated, nevertheless it is commendable. Since it proves that the arbitrary measures which weighed on the two thousand families, victims of this dismissal, had a favorable aspect. Today one ponders on the road covered. One counts the gains but one also weighs the time lost and the amplitude of the damages which ensued. One calls on the past to bear witness...of what? Of the capital squandered since "la marche verte" and the opportunities lost since that date. It is only natural, since it is one of the lesser virtues, that it should be translated into bitterness. However, it is even more honest that the problem of the bond between democracy and national cause should be brought up again. What the Moroccans call unanimously the domestic front has suffered from certain practices and some conceptions with limited horizons. However, it is known that vis-a-vis the foreign countries, vis-a-vis the opposition, it is the most formidable arm and the most feared. Its intensity and force should have been kept alive. It received telling blows which, without the maturity of our people and its progressist and democratic organizations, could have been fatal. But, in spite of the goodwill of those who, like us, paid so dearly in order for this inferior front to remain an intangible reality, there was "trouble." The most essential point today is to provide for the most urgent part: political and social straightening out of the country. There is a need for a reinvigoration of the domestic front.

Can the lifting of the arbitrary measures which struck the dismissed officials be considered as convincing and a conclusive indication of a sudden awareness of this necessity? Our past disappointments have taught us to be circumspect. We do not wish to prejudge the future, as, in spite of the daily sacrifices which forced us to hold the domestic front at arms' length, we persist in being hopeful. It is this hope, fostered by an inflexible struggle, which permits us to affirm that democracy in Morocco is in the domain of a possibility and not a long shot.

EXPANSION OF MOHAMMEDIA DEEPWATER PORT

Casablanca LA VIE ECONOMIQUE in French 11 Jul 80 p 12

[Excerpts] Construction of the Mohammedia port will include the following operations:

- A protective pier, 2,585m long, to reach the depths necessary for 100,000 ton tankers:

- Four tanker stations to receive ships weighing 100,000 tons for one, 600,000 tons for the second and 30,000 tons for the other two.

- Corresponding superstructures (station equipment, pipelines connecting with SAMIR (Moroccan-Italian Refining Corporation), unballasting, rinsing, fire, etc....)

In addition, the presence of the pier will give shelter to 960 "ml" (linear meter?) of the wharf, 68.5 hectares of the earth platform destined for other than oil traffic to relieve the port of Casablanca. However, as a first phase only 500 "ml" of the wharf and 27.5 hectares of the earth platform will be built.

The future port of Mohammedia will be the first deepwater port in Morocco as the jetty-head will reach depths of -26m in comparison with the port of Casablanca and Jorf Lasfar which reach depths of -16m.

Cost and Delays in Carrying Out Project

A technical study of this project began in 1976. The work was divided into three lots:

- Lot No 1--A protective pier, a 500 "ml" wharf and a 27.5 hectares earth platform,

- Lot No 2--Tanker stations

- Lot No 3--Tanker superstructures

lot No 2 estimated to cost 55 million and Lot No 3 estimated at 60 million dirhams, under 1978 economic conditions, will be the object of a bid for international offers at the beginning of 1981 in such a way that the new Mohammedia tanker port should be put into operation at the beginning of 1981.

As for Lot No 1, it was awarded under the terms of international competition, to a group of two Italian firms, IMPREGILO and SIDER [expansion unknown]. The transaction in an amount of 310 million dirhams (based on June 1978 prices), was approved on 7 April and the work must be finished by the end of 1983.

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DEVELOPMENT PLANS FOR EXPLOITATION, DEVELOPMENT OF PHOSPHATES

Casablanca MAROC SOIR in French 14 Jul 80 p 2

[Excerpt] In the sphere of its mining activities, the OCP (Moroccan Phosphates Office) group continues with the implementation of its projects prescribed in its Development plan.

The following are among the most important:

In Benguerir: The opening of a new mining zone where the first part of the operation which was started at the end of 1979, is designed to supply Maroc-Phosphore II with an annual tonnage of two million tons; the capacity of this zone will increase progressively and will reach 10 million tons per year, the additional tonnage being transformed on the Jorf-Lasfar site.

In Sidi Hajja (Province of Settat): The exploitation of the deposits which will constitute the pivot of a very important development, taking into account the reserves identified and especially the quality of the ore. Production, which is destined for exportation, will start in 1984, the capacity anticipated is 3 million tons per year in the first stage, and will be brought up to 6 million tons per year at a later date.

In Meskala (Province of Essaouira): Launching of the production in 1986 which could reach ten million tons towards the end of the century. A geological survey in this zone has gone into its active stage.

Development of the Phosphates

The construction of a large chemical complex is anticipated in Jorf-Lasfar, situated halfway between Casablanca and Safi and in a first stage (1983-1985) will include:

--A "Maroc-Phosphore 3 and 4" unit with a capacity of 4,000 tons per day of P 205, beginning with Khouribga ore, production starting in 1983, and construction to be finished in 1985.

--A unit of DAP and NPK [expansions unknown] for national agriculture and exportation.

--A washing and drying unit which will process the phosphate originating from Sidi-Hajja, the capacity of which will be 3 million tons per year.

The introduction of a new factory for the manufacture of "Maroc-Phosphate Nord" phosphoric acid is also foreseen in Nador. Its operation will begin in 1985 with a total capacity of 2,000 tons of P 205, per day it will be supplied by Khouribga phosphate and will be shipped by "seaway."

Starting in Safi in 1980 with "Maroc-Phosphate II" and the fourth line of Maroc-Phosphate I, as well as the installation of the Jorf-Lasfar chemical complex and of the unit planned for Nador, will mark for Morocco a new stage in the life of its development and of the diversification of its products.

In addition one projects the progressive development in Safi and Jorf Lasfar of units for the extraction of the uranium contained in the phosphoric acid produced in these two zones.

A new unit will start operating in Safi in 1983.

Increase in Sales

The production potential of the OCP group is particularly valued for the manufacture of high solubility fertilizers and of necessity has led it to develop its sales outside of Europe which absorbs more than 75 percent of Moroccan exports of phosphate. Also in 1977 the first delivery to the USA was effected in accordance with an agreement of long standing concluded with a large American firm producing fertilizers.

In addition, in the framework of Moroccan-Soviet cooperation four agreements were concluded with the USSR on 10 March 1978. On the one hand they are based on the development of an industrial phosphatic complex in Meskala at an estimated value of \$2 billion (about 8 billion dirhams), and on the other, on the exchange of raw materials and goods between the two countries for a period of 30 years.

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FINANCE MINISTER REVIEWS HANDLING OF FINANCIAL HOLDINGS

Rabat MONDAY MORNING in English 28 Jul - 3 Aug 80 pp 44-47

[Interview with Sheikh Mohammed Abalkhail, minister of finance and national economy, by Mena en-Said--date and place not given]

(Yeni) The Saudi Arabian minister of finance and national economy, Sheikh Mohammed Abalkhail, has rejected the complaints of Western banks about the difficulties they are finding in handling the Arabs' large financial holdings.

In a private interview with *Monday Morning*, the minister suggested that the furor over "the recycling of Arab petro-dollars" was an attempt on the part of some Western banks to unload their bad debts to Third World states onto the oil-producing countries.

Sheikh Abalkhail also rejected Western charges that oil prices were behind the current international inflation cycle and called on the industrialized countries of the West to introduce root reforms into their economic and monetary systems. Such reforms, he said, would automatically stabilize the price of oil.

BANKING

"Much has been said about the problems involved in the recycling (of petro-dollars)," the Saudi minister said, "but we in the Kingdom do not share those fears and I personally

do not believe that the international banking system is having extraordinary difficulties in managing these funds.

"The problem that is facing some banks is the problem posed by certain states, whose debts have risen to a level that is causing concern. When a banker speaks about the difficulties (posed by petro-dollars), we in the Kingdom understand him to be talking about the problem some banks are having in dealing with the loans they have given certain countries which have borrowed more than they should. It is possible that all this talk implies a desire to change this situation and shift the burden of these commercial loans from the banks to the oil-producing countries. But that would be impractical and unacceptable. The banks must deal with their own problems and try to improve their credit situation with the countries with which they are having difficulties, rather than try to shift the burden to someone else.

"We believe that any attempt to extricate certain major banks from their loans to some countries would damage the international banking

system. We also believe that if the Western countries impose stricter laws on the banking system -- through more restrictions on the movement of Euro-dollars, for instance, and the enactment of new laws in each West European country and America -- the problem will be eliminated.

"The Kingdom does not intend to change its policy in its dealings with international financial institutions. We may expand our diversification policy further, but our relations with international financial institutions will generally remain unchanged. Diversification is more needed now than ever, due to the instability in the financial market and the growing diversity of the dangers involved. All investors, be they states or individuals, realize this and are trying to diversify their investments in such a manner as to take all factors into consideration."

SURPLUS

Minister Abalkhail dismissed as "exaggerated" recent reports about enormous surpluses in the Saudi balance of payments and the availability of large amounts of Saudi funds for investment.

The Kingdom's surplus in the last fiscal year, he said, was "modest." This year's surplus is expected to be larger, "but it will still be limited, and certainly not as large as some media are saying."

This, he said, was due to the Kingdom's "tremendous expenditure on imported goods and services."

In fiscal 1979, foreign workers in Saudi Arabia earned three billion dollars, most of which was transferred out of the country without

any restrictions, he said.

The Saudi private sector imported 30 billion dollars' worth of goods last year, not counting shipping and insurance costs, he added.

"And if you add to that foreign aid and the cost of development, you end up with a very hefty figure," he said.

Saudi Arabia has just launched a third five-year development program which will cost an estimated 280 billion dollars. The cost estimate is based on a seven percent inflation rate, the minister said, and it could be adjusted upward should inflation raise prices beyond expectations. The second five-year development project, he pointed out, was originally budgeted at 480 billion dollars, but the final cost was close to 600 billion.

"However, we in the Kingdom have become more sensitive to the question of costs in development projects, and we are trying to keep expenditure within reasonable limits. Government agencies are competing with each other to keep project costs as low as possible, and that is a good sign."

DEVELOPMENT

The last two development plans in Saudi Arabia, the minister said, concentrated on the nation's infrastructure and made considerable progress in providing the country with its basic communications, transportation and similar needs.

The present five-year development plan will complete certain infrastructure projects but focus on direct investment in the industrial, agricultural and social fields.

The targets of the Kingdom's development strategy, Minister Abalkhail said, are "first, to evolve

living standards and productivity by developing the country's infrastructure, and then to move from the stage of crude oil exports to a stage of industrial exports based on oil and gas -- petrochemicals."

In working toward those targets, Saudi Arabia will take full advantage of the "new competition between exporters of services and commodities who are attracted to the Kingdom by its open economy. This new competition will help us implement our projects more quickly and in a better manner, and at the same time, it will develop stronger links between us and the rest of the world."

Another Saudi development target, he said, is the encouragement of the private sector in the country.

"The fact that the Saudi government is taking on projects and making direct investments does not mean that it intends to remain in control of the country's major production resources. The tremendous development needs of Saudi Arabia and the fact that we are starting from scratch has dictated government involvement so far, but in time, many sources of production will be transferred to the private sector, with the encouragement and assistance of the government."

ARABS

Where other Arab countries are concerned, Abalkhail said, Saudi Arabia intends to channel more funds into joint Arab development projects, in accordance with the "Arab economic strategy" adopted by the Arab Social and Economic Council in Amman this month.

The strategy, which will be submitted to the Arab summit conference next November, calls for a general reorganization of Arab economic relations and the creation and financing of joint Arab development projects.

Where the organizational aspect of the strategy is concerned, the minister said, "there are suggestions for the overhaul of the entire structure of economic relations among the Arab states--by strengthening the Arab Economic Council, for instance, placing it in charge of all other pan-Arab economic institutions, and eliminating duplication of work between those institutions."

Also in the organizational field, "there is a project for an expanded pan-Arab commercial agreement that would remove restrictions on the flow of capital among the Arab countries and provide adequate capital guarantees."

The second stage of the strategy, "the finding and funding of joint Arab development projects," must be implemented by "bolstering existing Arab development funds, especially the (Kuwait-based) Arab Development Fund, whose capital, now standing at 400 million dinars, must be doubled. The same applies to the Arab Monetary Fund."

The regulations of the Arab Development Fund, which specializes in financing Arab development projects, will be amended to allow it to go into "program lending," the minister said. The Arab Monetary Fund will continue to concentrate on commercial financing and balance-of-payments affairs.

The development funds will be

channeled into infrastructure projects in Arab countries which cannot finance their own development, and also into joint Arab projects in such fields as communications and industry, Minister Abalkhail said.

'Where joint Arab enterprises are concerned, there are wire and wire-less communications projects, including a satellite project; there are large industrial projects; and there are projects for the joint exploitation of mineral resources, for instance.'

The Arab economic strategy, as approved in Amman, will be "the backbone of Arab action over the next few years. There is an Arab consensus on the need to consider the years ahead years of comprehensive, joint Arab development," the minister said, "and the Kingdom is ready to cooperate to that end to the best of its ability."

OIL

But Saudi Arabia, he said in answer to a question, is against the principle of selling oil at lower prices to developing countries, be they Arab or non-Arab.

"That would not be in the interests of the producing countries or the developing countries," he said. "Oil prices, like the prices of other commodities -- wheat, coffee and sugar, for instance -- must reflect the conditions of the market.

"Countries which are able to provide the developing world with assistance are trying to do so by helping in development projects and

balance-of-payments problems. Since discriminating between the buyers of oil poses many dangers, and since assistance to developing countries is forthcoming in other ways, why choose the dangerous way when we have a safe and uncomplicated way to help?"

Commenting on Western charges that oil prices are responsible for the current spurt of international inflation, Minister Abalkhail said: "We believe that the inflation cycle started not with oil but with the monetary and economic systems that have prevailed in the Western industrialized countries over the past few years. These systems, and the tremendous monetary expansion they entailed, created an inflationary trend which, quite naturally, was reflected by oil prices, thus starting the inflation spiral.

"We therefore believe that the Western countries would do well to think in terms of root reforms in their economic systems. They can do this by reconsidering their monetary policies, or reducing their consumption of oil and energy in general, or correcting the balance of trade between themselves, which is one of the major causes of the present instability.

"If the Western countries deal with these basic causes of the present situation, and if they are successful in correcting the structural flaws in their economies, I am confident that the price of oil and other commodities will automatically stabilize." ●

INVESTMENT INCENTIVE PLAN DISCLOSED

Paris AN-NAHAR ARAB REPORT & MEMO in English 14 Jul 80 p 5

[Text] Saudi Arabia has said it is considering an investment incentive plan under which foreign firms would be guaranteed 500 b/d of crude for every \$1 million placed in Saudi heavy industry. The statement coincided with an agreement between the Saudi Arabian Basic Industries Corp (SABIC) and Shell on a \$3 billion petrochemicals projects; Shell will take a SR 1.3 billion (\$390 million) stake in the equity of the project, entitling it to nearly 200,000 b/d of crude. Under the terms of the agreement, Shell will lift not less than 60 percent of the output from the petrochemicals plants, its seventh joint venture with SABIC.

The Vice-Chairman of SABIC, Abdulaziz Alzamil, said that final details of the crude incentive plan should be worked out within two months. The plan was first aired in 1974, when it was suggested that the incentive should be 1,000 b/d for every \$1 million of equity participation. The figure had been reduced, Mr Alzamil said, because "we are getting more offers for plant construction than we can accept." Foreign firms investing in Saudi heavy industry under the plan would have to make commitments to market products, as Shell had done, in return for the crude entitlement, he said.

The Vice-Minister of Planning, Faisal al-Bashir, meanwhile said in Tokyo last week that Saudi Arabia could meet the financial requirements of its SR 782.8 billion (\$235 billion) third-five-year plan and its defence programme even if it cut oil output from 9.5 to 6.5 million b/d. While recent authoritative reports say that Saudi Arabia will maintain its high level of production at least until the end of the third quarter, the minister said that oil production policy remained fluid.

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SAUDI ARABIA

BRIEFS

FRG EQUIPMENT FOR ARMED FORCES--Bonn, 18 Jun--Saudi Arabia has requested German equipment for the Saudi Armed Forces, West German sources said here today. Saudi Defence Minister Prince Sultan Ibn Abdul Aziz, who arrived here Monday with King Khaled, expressed the Saudis' wish in discussions with German leaders. But they reaffirmed Bonn's policy that no West German military supplies may be sent to any country outside of the North Atlantic Treaty Organization (NATO). The West Germans agreed, however, that their policy could allow for future deliveries of civilian material to the Saudi Army, as well as training of Saudi soldiers in West German military schools, the sources said. NAB/AFP [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 20 Jun 80 p 2]

NEW SHIPPING LINE--Saudi Deputy Communications Minister Mohieddin Khayal announced the establishment of his country's own national shipping line to the two-day Arab Port Conference which ended in London on Tuesday. He said that the new shipping line, with a capital of \$150 million would operate in tandem with the United Arab Shipping Company, a joint venture among 6 Arab countries, including Saudi Arabia. He accompanied this announcement by a warning to developed countries not to hamper the growth of developing nations' shipping lines and gave strong support to the United Nations Conference on Trade and Development (UNCTAD) proposals for a 40-40-20 cargo-sharing (in which 40 percent of the cargo is shipped by the importer, 40 percent by the exporter and 20 percent by third-party or cross-orders). He also said that freight earnings from Saudi Arabia alone last year amounted to 7,500 million dollars and for the Gulf states area to 10,000 million dollars. [Text] [Beirut THE ARAB WORLD WEEKLY in English 21 Jun 80 p 13]

NEW RAILROAD LINE--The Saudi Government Railroad Organization (SGRRO) has invited 33 consortiums to prequalify for construction of a new Dammam-Riyadh line. The 465-kilometer track--SGRRO's biggest project in the 3rd Five-Year Plan, is expected to cost 1.25 billion Saudi riyals. The project will be tendered in three sections, with no consortium allowed to win more than two. The winning contractors will be chosen in four months, and the project should be completed in three to four years time. New stations in Dammam, Hofuf, and Riyadh, and a new telecommunications system

will be tendered next year. The new line will parallel the present Dammam-Riyadh track as far as Hofuf, a distance of 145 km but where the old track turns southward before arriving at Riyadh, the new line will cut directly across for 320 km. Not only will this cut 100 km off the journey, but the trains will travel as fast as 150km per hour, rather than the present 100 km per hour. No other lines will be built in the third plan, although a Riyadh-west coast line will be studied. [Text] [Beirut THE ARAB WORLD WEEKLY in English 28 Jun 80 p 11]

CEMENT PRODUCTION STATISTICS--Cement production will rise to ten million tons a year, according to the general manager of the Arab Cement Company who said that the company has started building a cement plant in Rabegh. The plant will have a production capacity of 4,500 tons a day. [Text] [Beirut THE ARAB WORLD WEEKLY in English 28 Jun 80 p 11]

SUPPLY OF PETROLEUM TO BANGLADESH--Saudi Arabia will supply Bangladesh with crude oil under a \$20 million agreement signed by Bangladesh officials and the Islamic Development Bank. IDB will make the purchase of oil from the kingdom then resell the oil to Bangladesh under the terms of the agreement. [Text] [Beirut THE ARAB WORLD WEEKLY in English 28 Jun 80 p 11]

CURRENCY REVALUATION MOVE--The Saudi Arabian Monetary Agency adjusted its official riyal rate to 3.32 to one US dollar from 3.33 effective July 8. Gulf bankers said the move came as a surprise. In the interbank market, interest rates dropped by around half a percentage point following the news. Pressure for a revaluation has been building following the weakness of the dollar, bankers said, but SAMA's timing seemed designed to reinforce its apparent recent policy of behaving in a deliberately erratic way to discourage interbank speculation in riyals, particularly in the Bahrain offshore market. On March 9, SAMA revalued the riyal to 3.34 to the dollar when the market widely expected a devaluation because of the strength of the dollar. It revalued again to 3.33 on March 23. [Text] [Beirut THE ARAB WORLD WEEKLY in English 12 Jul 80 p 11]

LPG TALKS WITH JAPAN--Tokyo Gas Company of Japan said that it was negotiating with Petromin to import 250,000 tons of Saudi Arabian liquefied Petroleum gas (LPG) a year. The company's officials said the plan calls for establishing a joint venture firm with Tokyo Gas, Shell International Gas Co. of Britain, and a Saudi firm to supply LPG to the Japanese gas firm. [Text] [Beirut THE ARAB WORLD WEEKLY in English 19 Jul 80 p 11]

NEW FISHING COMPANY--The Saudi government is subscribing 40 percent of the SR 100 million (\$30 million) capital of a new fishing company to operate in the Red Sea and the Gulf, it was announced this month. The Director-General of the firm, Nassar al-Saleh, said that the Dammam-based Saudi Fishing Co would eventually expand into international joint ventures. It was considering offers of technical help and joint ventures from Britain,

Norway, France and other countries. The company will offer SR 30 million worth of shares to Saudi nationals, and the remaining SR 30 million will be subscribed by the founding members. The UN has estimated that commercially viable stocks of about 140,000 tonnes of fish already exist in the Gulf and potential stocks could be as high as 220,000 tonnes year but only 50,000 tonnes were lifted last year. Demand from the Gulf states is expected to reach 293,000 tonnes a year by 1985. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 14 Jul 80 p 12]

DIPLOMATIC TIES WITH PORTUGAL--Saudi Arabia last week said that it had decided to establish full diplomatic relations with Portugal; Kuwait is expected to follow suit later this year. This follows important agreements on exports of oil and uranium between Portugal and Iraq as the Lisbon government set about trying to make up a loss of some 3 million tonnes of crude it had hoped to import from Iran this year (AN-NAHAR ARAB REPORT & MEMO, March 10, April 7 and May 14). Portugal has been one of the Western countries offering most support to the US in its drive to impose a trade embargo on Iran. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 23 Jun 80 p 7]

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